

# GREAT SOUTHERN FOREST

*a new approach to native forest management for jobs, wildlife and carbon*

1<sup>st</sup> September 2016

*The Australia Institute's 2016 research <sup>1</sup> found that Forestry Corporation of NSW lost \$79 million over the past 7 years.*

*If the native forests in the southeast forest region were preserved, carbon would earn about \$20 million per year <sup>2</sup>. This revenue could fund jobs in tourism, wildlife protection, forest restoration and help Australia meet its carbon emission reduction targets.*

*What is the future of these beautiful carbon dense forests and their precious wildlife?*



Ridge logging in Glenbog State Forest. Photograph Dave Gallan, 2015

*“this is the only way forward on forests”*

Dr Judith Ajani, Economist, Australian National University, Fenner School of Environment and Society.

We acknowledge the peoples of the Yuin and Wiradjuri Nations and the Ngarigo, Walgalu, Dharawal, Gundungurra and Ngunnawal tribal people, who are the Traditional Owners of the Country that is the subject of this vision. We pay respect to the Elders past and present of these Nations and to other Aboriginal people who read this Brief.



## TABLE OF CONTENTS

WHAT IS THE GREAT SOUTHERN FOREST PROPOSAL? .....	1
FINANCIAL BENEFITS .....	1
NEW JOBS IN SOUTHEAST NSW .....	1
SAFEGUARDING OUR WILDLIFE .....	2
CLIMATE CHANGE AND CARBON BENEFITS .....	3
THE GREAT SOUTHERN FOREST PROPOSAL RECOMMENDS.....	3

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## WHAT IS THE GREAT SOUTHERN FOREST PROPOSAL?

As Australians, it is our responsibility to look after our country and its unique plants and animals. Custodial responsibility is at the heart of the post-logging vision for the Great Southern Forest. This proposal heralds an alternative environmentally conservative and profitable future for the southeast region of NSW which responds to job creation, wildlife protection and a changing climate.

The Great Southern Forest (GSF) region connects over 400,000 hectares of State Forests from Nowra in the north to Eden in the south and inland to the Tumut region, one third of NSW's entire public native forest estate, with National Parks and private forests. Expiration of the State Forests' Regional Forest Agreements (RFAs) in 2019 and 2021 in the Southern Forest Region (SFR), is the catalyst for re-evaluating logging-based forest management.

The GSF proposes the means by which conservative forest management, by current or alternative NSW authorities, can be funded by a significant new revenue stream: carbon emission abatement credits. This revenue can be used to restore degraded forests, connect landscapes and protect wildlife habitat, and for recreation, nature-based and cultural tourism, and related infrastructure. Jobs under this model would be long term and free from social controversy.

**The Great Southern Forest proposal would reorient the Federal and State governments to recognise our native forests as the best land-based carbon store and to use carbon funding to invest in regional employment in tourism and forest protection. To reap the benefits, the Governments would terminate the RFA process and end the native forest logging sector. Management would focus on climate-responsive industries which avoid emissions and create jobs to protect Australia's ancient forests and unique wildlife.**

## FINANCIAL BENEFITS

NSW's native forest woodchipping industry is no longer financially or economically viable; it is unprofitable, in decline, and has been displaced by the expanding plantation industry. Over 80% of NSW sawn timber now comes from mature Australian softwood plantations<sup>3</sup>. Between 2009 and 2014 Forestry Corporation's (formerly ForestsNSW) Softwood Plantations Division cross-subsidised native forestry logging to the order of \$79 million<sup>4</sup>. Average losses in other recent years have been \$11 million per year<sup>5</sup>.

Ceasing to log the Southern Forest Region could save up to 2 million tonnes of carbon dioxide emissions per year<sup>6</sup>. If these reductions were eligible to earn carbon abatement credits from the Australian Government's Emission Reductions Fund, at a recently paid auction price of \$10-20 per tonne of carbon reductions, such credits could earn NSW a gross income of \$20 to \$40 million a year<sup>7</sup>. The Australia Institute reports that "that native forestry doesn't currently provide any economic value to the state of NSW, and that citizens of NSW would be \$40 million per year better off if native forests were left alone rather than logged"<sup>8</sup>.

Thus, carbon credits offer a viable economic alternative to failing commercial forestry, with its declining output and employment. The reality is, the native forest logging industry makes no economic sense and is heavily subsidised by the taxpayer. Diverting native forest logging subsidies into softwood plantations could result in a larger overall timber industry<sup>9</sup>.

Significantly, if the NSW native forest woodchipping industry collapsed due to its own structural and financial problems, the Commonwealth Government could not claim associated reduction in carbon emissions under national and international assessment regimes, as they would not add to abatement compared to a 'business as usual' scenario. Thus, NSW could not bid for credits in the Commonwealth's Emission Reduction Fund auction system. The State needs to act quickly to achieve this potential new revenue from its native forests.

## NEW JOBS IN SOUTHEAST NSW

Employment in native forest logging continues to decline. Three small sawmills operate in the Southern Forest region and employ fewer than 100 people<sup>10</sup>. After declaring losses for many years, the Japanese owners of the Eden chip mill, the only one still operating in NSW, sold it to Allied

Natural Wood Exports in 2016. The chipmill employs fewer than 45 people and the native forest industry employs only 0.1% of the workforce statewide <sup>11</sup>.

The Great Southern Forest facilitates investment in a new critically needed intense forest restoration industry by creating tree nurseries, connecting fragmented landscapes, supporting critically endangered wildlife and hollows-dependent species, controlling weeds and feral animals, and implementing fire management strategies. The GSF vision offers culturally responsive ways for Aboriginal people to play a vital role in land and native forest management and protection which complements Indigenous Rangers Skills, the Working on Country programs <sup>12</sup>, and the Plan of Management for the Yuin Bangguri (Mountain) Parks.

Carbon credit funding could boost jobs in tourism. In the southeast region, the growing tourism industry contributes far more economic benefit than forestry, fishery and agriculture which support only 3.2% of the workforce <sup>13</sup>. Tourism is one of the biggest employers within the far south coast region and thus requires the most infrastructure support. Over 60,000 international visitors travel to this region each year <sup>14</sup> and the benefits are shared across wide community sectors. The Great Southern Forest could augment local jobs for the rapidly expanding cruise ship market in Eden Port. Tourism Australia identifies ‘immersion in nature’ as the primary motivator for inbound and domestic travel markets. With a ‘business as usual’ approach to native forests, this prosperous and growing industry could be threatened by the rate of destruction of the natural beauty which forms the heart of the tourist experience. Tourists want adventure; ranger led forest-based experiences, cultural, heritage and educational tourism. GSF management of State Forests could complement the region’s National Parks for outstanding nature-based experiences in Australia’s Coastal Wilderness.

Revenue from emerging carbon markets can fund management of the Great Southern Forest. Income from carbon credits of about \$20 million per annum could generate about 500 full time sustainable jobs at a median southeast NSW rate of \$38,000 pa <sup>15</sup> to support this two-pronged approach to sustainable jobs in forest restoration and tourism.

## SAFEGUARDING OUR WILDLIFE

Australia is facing an extinction crisis; it has the worst mammal extinction rate in the world. The Australian Government lists more than 1,700 species of animals and plants at risk of extinction. Over 30 native mammals have become extinct since European settlement. In the last 400 years, one in three global mammal extinctions have occurred in Australia. Around 30 per cent of our surviving non-bat mammal species are threatened <sup>16</sup>.

The unique Southern Koalas once roamed the region yet now, only highly endangered small isolated colonies remain on the far south coast <sup>17</sup>. The provisions of the EPBC Act 1999 does not protect them <sup>18</sup>. Koalas require deep-rooted, tall specific eucalypts and logging compromises their ability to disperse and breed with other populations in the southern highlands, north-eastern Monaro and the far south coast. The Commonwealth states firewood harvesting of hollows-dependent Red-tailed Black-Cockatoo, Swift Parrot and Superb Parrot is a key threatening process <sup>19</sup>. Yet logging of hollow-bearing trees in native forests is illegal but has been witnessed repeatedly <sup>20</sup>. Mature and old hollow-bearing trees provide flowers, nectar, fruit and seeds and a complex substrate that supplies diverse habitats for invertebrate populations <sup>21</sup>. The southeast region hosts many endangered hollow-dependent fauna such as the Yellow Bellied Glider and the Powerful Owl. When the fragile and defenceless Greater Glider loses its home tree it goes to ground and a predator takes it. Native forest logging and burning destroys this essential wildlife habitat. Rotation lengths are so short that hollows don’t form in eucalypts younger than 100 years and some species need hollow-bearing trees older than 150 years. Whole forests are needed for wildlife preservation, not fragmented parcels.

In April 2015, the World Wildlife Fund listed Australia as “one of 11 places around the world that will account for 80% of global forest loss by 2030” <sup>22</sup>. Nearly 300,000 ha of the State’s native forests in the Southern Forest Region are logged. Native forests support wildlife, store and draw down carbon, protect soil, and provide us with clean water. Logging causes emissions, compacts soil and yet also causes erosion and downstream sedimentation <sup>23 24</sup>, and “is in conflict with maximised water yields from native forests” <sup>25</sup>. This jeopardises the supply of clean water from catchments to local communities, and affects fish nurseries and aquaculture such as oyster production <sup>26</sup>. Logging also makes forests more fire prone <sup>27 28</sup>.

Native forest logging is a key threat to our native wildlife as it causes habitat destruction, modification and fragmentation and alters the natural species composition. Australia has a dismal record of species extinctions, and the number of species being declared vulnerable or threatened continues to grow. The Great Southern Forest is not a plan for a reserve system yet it would create a protected and connected landscape to help reduce loss of our unique wildlife. The GSF can protect vulnerable and threatened wildlife by safeguarding habitat and restoring connectivity. A National Parks Association study determined, “The RFAs did not achieve intended targets to protect threatened species, and the RFAs have reduced protections for threatened species as compared to protections under the EPBC Act 1999”<sup>29</sup>.

## CLIMATE CHANGE AND CARBON BENEFITS

The role of forests as a carbon sink was not considered when the Regional Forest Agreements of the Southern Forest Region were signed 20 years ago when no opportunities existed then to earn income from their valuable capacity to capture and store carbon and before climate change emerged as an additional and compounding threat to habitats and to biodiversity. We have the capacity to address these multiple threats by not using our native forests for extraction but enable the whole interconnected system to actively draw down atmospheric carbon and carbon storage.

Climate change compounds and accelerates threats to habitats and biodiversity, and is the single biggest global threat to human health<sup>30</sup> and the planet’s economic future. Unlogged forests contain three times more carbon than logged forests<sup>31</sup>. The forests of southeast NSW store more carbon than first thought so the carbon deficit from logging is therefore much greater than first thought; thus the risks associated with logging them are also greater than previously estimated<sup>32</sup>.

The RFAs are an anachronism in the context of current conditions and prevent Australia from meeting its optimal emissions reduction targets. “In some respects, the RFAs must be viewed as being the antithesis of economic and environmental success”<sup>33</sup>. In contrast, the Great Southern Forest proposal integrates global climate science and local empirical and scientific knowledge.

Ceasing public native forest logging would help Australia to cost effectively meet its carbon emission reduction targets. Carbon accounting for forests is mandatory under the Kyoto Protocol<sup>34</sup>. As a signatory, the Commonwealth of Australia is internationally bound to meet emission reduction targets. This requires that all signatories should implement protection and enhancement of sinks and reservoirs. With the planet’s health in mind, and in support of these requirements, The Lancet Commissions’ enquiry<sup>35</sup> found that the greatest carbon mitigation benefit would be achieved by protecting native forests, afforestation and reforestation. The Paris Agreement, signed by 196 nations, allocated a separate Article<sup>36</sup> to forests in recognition of the role they play as critical global carbon sinks<sup>37</sup>. As the country with the most carbon-dense forests in the world<sup>38</sup>, Australia should set a global example and lead the way in forest management for carbon by ending native forest logging.

## THE GREAT SOUTHERN FOREST PROPOSAL RECOMMENDS

1. The Commonwealth and NSW Governments recognise ceasing public native forest logging is a cost effective and environmentally valuable way to reduce carbon dioxide emissions.
2. The Commonwealth and NSW Governments agree on protocols for the cessation of public native forest logging to be eligible for Emission Reduction Fund credits.
3. The NSW State Government change the management focus of public native forests from logging to carbon capture before NSW’s Regional Forest Agreements for the Southern Forest Region expire between 2019 and 2021, and to immediately commence negotiations to secure carbon credits from the Australian Government’s Emission Reduction Fund.
4. The NSW Government links such carbon credit revenue with regional tourist infrastructure, wildlife protection and forest restoration, to generate long term, sustainable jobs in the region and to protect public native forests and endangered wildlife.

See supplementary materials of the Great Southern Forest proposal at:  
<http://www.greatsouthernforest.org.au/resources.html>

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